

**BG Group**  
Sustainability Report 2015

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## About our reporting

**On the 15th February 2016, BG Group became a wholly owned subsidiary of Royal Dutch Shell, following shareholders from both companies voting in favour of the acquisition. As a result, this 2015 Sustainability Report is a shorter report than the 2014 publication. This is BG Group's final stand-alone report, with reporting integrated with Royal Dutch Shell from 2016. This report provides information and data on the most material sustainability issues from 2015.**

### REPORTING FRAMEWORKS

We report our sustainability performance using internationally recognised reporting standards and frameworks. We report in line with the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting developed by IPIECA (the oil and gas industry association for environmental and social issues), the American Petroleum Institute (API) and the International Oil and Gas Producers Association (IOGP), as well as the UN Global Compact Ten Principles. Our reporting is also informed by the Global Reporting Initiative (GRI) G3.1 guidelines and the Oil and Gas Sector Supplement.

### REPORTING SCOPE AND BOUNDARIES

BG follows industry guidelines set out by IPIECA/API/IOGP.

### OUR DATA

Our Data Methodology appendix outlines the scope and methodologies of our data reporting. This is consistent with last year and the extent of our data reporting in a particular geographic area depends on the nature of the operation, whether it is wholly or partly owned, and whether we are the operator (have control). This also varies depending on the type of data. For Health & Safety, we report where we have the ability to direct or influence performance, whereas for GHG reporting, this depends on our ownership of the operation producing the emissions. We report 100% of Health & Safety data from facilities where we are the operator or the 50% joint operator, as well as where we have a position of influence (notably Dragon and ELNG). GHG data in this report are reported on a 100% basis in respect of activities where BG Group was the operator and 50% of the data where it was joint operator. We report from offices with over 100 people and/or from those sites capable of influencing and monitoring key environmental aspects.

## About our reporting

### CAUTIONARY NOTE

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this report, "Shell", "Shell group" and "Royal Dutch Shell" are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words "we", "us" and "our" are also used to refer to subsidiaries in general or to those who work for them. These expressions are also used where no useful purpose is served by identifying the particular company or companies. "Subsidiaries", "Shell subsidiaries" and "Shell companies" as used in this publication refer to companies over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as "joint ventures" and "joint operations" respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as "associates". The term "Shell interest" is used for convenience to indicate the direct and/or indirect (for example, through our 23% shareholding in Woodside Petroleum Ltd.) ownership interest held by Shell in a venture, partnership or company, after exclusion of all third-party interest.

This report contains forward-looking statements concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as "anticipate", "believe", "could", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "probably", "project", "risks", "schedule", "seek", "should", "target", "will" and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this report, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products; (c) currency fluctuations; (d) drilling and production results; (e) reserves estimates; (f) loss of market share and industry competition; (g) environmental and physical risks; (h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions; (i) the risk of doing business in developing countries and countries subject to international sanctions; (j) legislative, fiscal and regulatory developments including regulatory measures addressing climate change; (k) economic and financial market conditions in various countries and regions; (l) political risks, including the risks of expropriation and renegotiation of the terms of contracts with governmental entities, delays or advancements in the approval of projects and delays in the reimbursement for shared costs; and (m) changes in trading conditions. All forward-looking statements contained in this report are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on forward-looking statements. Additional risk factors that may affect future results are contained in Royal Dutch Shell's 20-F for the year ended December 31, 2015 (available at [www.shell.com/investor](http://www.shell.com/investor) and [www.sec.gov](http://www.sec.gov)). These risk factors also expressly qualify all forward-looking statements contained in this report and should be considered by the reader. Each forward-looking statement speaks only as of the date of this report, 29 July 2016. Neither Royal Dutch Shell plc nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. In light of these risks, results could differ materially from those stated, implied or inferred from the forward-looking statements contained in this report. We may have used certain terms, such as resources, in this report that the United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. US investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website [www.sec.gov](http://www.sec.gov).

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## Responsible operator

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**We seek to develop society's resources responsibly. As an oil and gas company, we work in high-risk and sometimes challenging environments which puts a premium on safety, integrity, fairness and transparency. We aim to treat all those who work for us with respect and to develop the skills of our people. We believe this approach helps us manage and mitigate risks to our business.**

Read more about:

- > [Safety and security](#)
- > [Human rights](#)
- > [Working with communities](#)
- > [Ethical conduct](#)
- > [People and skills](#)

# Safety and security

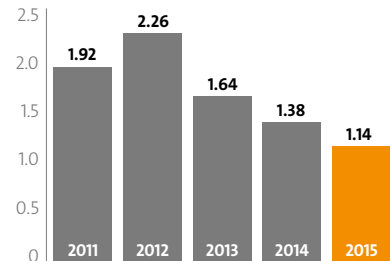
### Why it matters

Working in high-risk situations, safety is our first priority. Failure to operate safely can result in fatalities, injuries, environmental damage and disruption to communities. We are also committed to providing a secure working environment for our people and protecting our operations and information. We work to understand and mitigate threats and ensure that we have effective plans in place to respond to any crisis.

### Our priorities in 2015

- Clear leadership to maintain a strong safety and security culture and embed the right behaviours in all workplaces.
- Plan, assess and monitor work to identify safety and security risks and eliminate or mitigate risks through our safe systems of work.
- Ensure seamless work practices between employees and contractors – our “One Team” approach.
- Provide ongoing training and ensure competency levels match the requirements of safety-critical tasks.
- Ensure that our security is delivered lawfully, ethically and in accordance with the Voluntary Principles on Security and Human Rights.

**TOTAL RECORDABLE CASE FREQUENCY**  
(incidents per million work hours)



## Activities and performance

### SAFETY LEADERSHIP AND CULTURE

We recognise that leadership and culture are fundamental to good safety performance. The Group's commitment to safety culture comes from the top. During 2015, the senior leadership team continued to build on progress to date and took a number of opportunities to reaffirm their full commitment to safety. In addition to the usual pressures of a busy work programme in an often high-risk environment, 2015 presented new safety challenges. The announcement of the acquisition by Shell brought a significantly increased risk of distraction for both employees and contractors. In response, senior leaders regularly led safety stand-downs with teams across the organisation to take time to reflect on safety performance, to emphasise the need for continued vigilance and to agree how further safety improvements could be made.

### OCCUPATIONAL SAFETY

We are committed to protecting the safety, health and well-being of people working for us. Total recordable case frequency (TRCF) is the industry standard key indicator we use to measure our occupational safety performance. It looks at the total number of injuries within a given number of exposure hours and helps us to understand how we are managing our operations when work activity fluctuates in intensity. In 2015, the Group's TRCF further improved to 1.14 compared with a target of 1.20 per million hours for the year and a 2014 performance of 1.38; a 15% improvement. This progress reflected good safety performance in a number of operations, including Australia with the successful commissioning and start-up of our major QCLNG project. Active and visible leadership across our teams was a key enabler, as we continued to simplify our processes at the worksite to identify and manage safety risk. We pay particular attention to high potential incidents (HPIs), which are safety incidents where a fatality could have occurred, to ensure that the causes are fully understood and that

lessons are learned and shared across the Group. In 2015, 58 HPIs were reported from our operations, down from 77 in 2014. During the year, we focused on improving our processes for sharing and implementing lessons from these incidents.

### Working with contractors

Contractors make up a significant percentage of our workforce (completing 58 million hours of work out of a total of 78 million in 2015) and often carry out the highest-risk activities. They are frequently the first people on the ground when we enter a new country. Contractor behaviour can significantly affect our operational efficiency, reputation with governments and relationship with local communities where we work.

Our Contracts and Procurement Standard sets requirements for contractor selection and management. It sets specific requirements for contracts assessed as having high health, safety, security and environment (HSSE), human rights or ethical conduct risks. At the end of 2015, we had 191 contracts that had been designated as high HSSE risk. We track how well individual contracts are managed and, in 2015, we met our target of actively managing 95% of high-risk contracts against these requirements.

### Life Savers

Our Life Savers are mandatory sets of rules regarding safety and security that we follow when carrying out recognised high-risk activities. The Life Savers are also depicted in pictograms and are displayed at worksites. They convey the basic Life Saver message visually, so that it can be understood by anyone on site, whatever their native language.



In 2015, in response to a number of incidents we added a new, tenth, Life Saver on Stored Energy. In our operations, stored energy can occur in a number of different circumstances and can often be difficult to identify. To support the launch a range of case study and point of risk materials were rolled out to our global One Team work force.

### PROCESS SAFETY

Process safety, or asset integrity, is the ability of our physical assets to perform their required function effectively whilst safeguarding life and the environment. We track the number of process safety events that occur across our operations. Loss of primary containment (LoPC) is an industry standard key indicator that we use to measure process safety performance. It is an unintentional release of gas or liquid, for example through leakage or corrosion, and is an important measure of the safety and integrity of our physical assets, from well sites to plants. LoPC incidents are classified by severity, with Tier 1 being the most severe. In 2015, there were five Tier 1 incidents (2014: 2) and eleven Tier 2 incidents (2014: 5). There were no common themes from the five Tier 1 incidents but all were fully investigated by subject matter experts and lessons learned were shared across the Group, or are subject to on-going investigation.

### COMPETENCY

We regularly assess the competency of people performing safety-critical tasks through our Competence Assurance Management System (CAMS). By the end of 2015, 93 945 individual assessments, involving 4 379 people across 11 of our operations, had been completed.

## Safety and security

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### OCCUPATIONAL HYGIENE AND HEALTH

We recognise the impact that occupational health and hygiene has on the safety and well-being of our workforce and we continue to review health and hygiene risks in our business. These risks include travel to countries with particular health risks, exposure to chemicals and the risk of disease from food-borne organisms. In 2015, we focused on improving our medical emergency response plans and started an awareness campaign to build a stronger appreciation of workplace health hazards.

Occupational illness frequency (OIF) is a key performance indicator for the business. We monitor the reporting of health incidents (health conditions, illness or disease caused by the working environment), which enables us to identify any potential new risks and any gaps or breakdown in our health risk management system. In 2015, our OIF per million work hours was 0.14 against our target of 0.50 for the year.

### SECURITY

#### Addressing Country Risks

We work to understand the many dynamic security threats that face our business. We implement a range of physical measures, systems and procedures to mitigate these threats and reduce our vulnerability to attacks. During the year, a number of the countries where we work suffered terrorist attacks which, while not directly impacting BG Group, were a cause for concern.

#### Training

Ensuring that our people are skilled at recognising and responding to security risks is important. During the year, we piloted a security training module to sit alongside our Major Accident Hazard Awareness course, which trains our people on how to respond to a major safety incident. The module addressed our major security concerns, the risk assessment process, the cyber security threat and crisis management. We examined the lessons learned from the major terrorist attack against the gas facility at In Amenas, Algeria (not owned by BG Group but a key event in the history of our industry) in 2013 and the potential impact of terrorist attacks on our people and facilities.

#### Crisis Management

This year, we delivered a full crisis management readiness programme of training, desktop exercises and independently assessed simulations across our functions, countries where we operate and joint ventures in order to improve and test our response procedures and behaviours.

We also conducted several desktop exercises at Group level, culminating in a joint crisis simulation exercise with our business in Tunisia around the scenario of a terrorist attack. The simulation was assessed as "highly effective and collaborative" in an external crisis management validation.

### INTEGRATION ACTIVITY

BG Group Life Savers continue to apply from Day 1 of the Combination as transition to Shell Life Saving Rules will be completed within one year. BG Group assets and ventures continue to deliver to existing BG Group Standards from Day 1, but all operated assets should have risk-based 'gap disclosure plans' against the Shell HSSE&SP Control Framework with agreed, risk based dates to close the gaps within a year. These decisions were based on a high-level gap assessment of the BG Group and Shell systems and standards.

## Human rights

### Why it matters

**Our business has a commitment to respect human rights, in line with the UN Guiding Principles on Business and Human Rights. We have an integrated approach to human rights across our business to reflect this importance.**

### Our priorities in 2015

Managed potential human rights issues related to our operations.

In Myanmar we conducted a human rights impact assessment.

Maintained our implementation of the Voluntary Principles on Security and Human Rights.

BG published a public position on our approach to human rights.

### Activities and performance

#### INTEGRATED APPROACH

We integrate human rights across the business and manage potential human rights issues through our existing internal controls relating to contracts and procurement, environment, ethical conduct, human resources, security and social performance. Our human rights taskforce, made up of senior representatives from these functions, met twice in 2015 to provide assurance that potential human rights impacts were identified and addressed through these internal controls. No incidents or allegations of human rights abuse related to our operations were reported in 2015.

#### VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

We are a longstanding member of the Voluntary Principles on Security and Human Rights (VPSHR) initiative, which provides a framework for companies to ensure security for their operations, while respecting human rights. In 2015, we updated our VPSHR risk assessments and implementation plans in Bolivia, Kazakhstan, Myanmar, Tanzania and Tunisia.



## Working with communities

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### Why it matters

The long-term sustainability of our business is dependent upon establishing and maintaining effective relationships with our stakeholders. This approach can reduce risk and create value for our business and the societies where we operate.

### Our priorities in 2015

Deliver high quality social baseline and impact assessments that enable us to identify and manage risks, impacts and opportunities for BG Group and other stakeholders.

Ensure social performance is integrated into our business planning, business development and operations.

Build and maintain open relationships with our stakeholders in our areas of operation.

Contribute to the socio-economic development priorities of our host communities.

## Activities and performance

### CONSULTATION AND ENGAGEMENT

We assess potential social and economic impacts and develop mitigation measures for planned or proposed projects, in consultation with stakeholders and local communities. Our approach to consultation and engagement is transparent, inclusive and culturally appropriate. It contributes to a wider goal of developing broad community support for our presence in all locations where we operate.

#### Australia

We operate more than 2 000 wells across a rural part of Queensland with grazing and cropping agriculture. Since 2011, as part of our commitment to be a good neighbour and community member, we have been running 'Community Consultative Committees' to provide a forum for dialogue with landowners and the community. We continued to run these committees in 2015, after the project moved from construction to operation. During the year, we produced a new information resource for landowners and engaged closely with our contractors to ensure that they respect landowners across our footprint and follow appropriate procedures related to accessing private land.

#### Bolivia

During the year, we completed a participatory baseline and impact assessment for our planned seismic survey in the Huacareta block in Bolivia. This involved extensive stakeholder engagement, covering three licensing areas across five Indigenous territories with more than 150 local indigenous and 'campesino' communities, 5 municipalities and more than 6 200 private landowners. Feedback in response to our consultation work has been positive.

"I congratulate the company for having visited the communities and personally engaging with the people" Adolfo Diaz Rodas, Entre Rios.

Following the successful completion of public consultation in the three new areas we are exploring, BG Group became the first company to negotiate successfully compensation agreements under a newly issued Bolivian compensation decree.

#### Myanmar

In 2015, we successfully completed a participatory environmental and social impact assessment for our offshore exploration program. This included extensive stakeholder engagement in Rakhine State during the scoping, consultation, and disclosure phases of the assessment. Given the history of ethnic violence in the region, the engagement process was designed to be conflict-sensitive and inclusive of ethnic minority and vulnerable groups. The consultation informed the design of the seismic survey plan and an environmental and social management plan with mitigation measures to address risks identified through the assessment. We shared the findings of the impact assessment with potentially impacted stakeholders, local government and national and international NGOs. At the national level, we engaged with civil society and government to build their capacity in areas such as environmental and social impact management, grievance management and strategic social investment.

### GRIEVANCE MECHANISMS

Our community grievance mechanisms aim to provide a proactive and structured approach to receive, acknowledge, investigate, respond to and remedy grievances about our projects from affected stakeholders in a planned, timely and respectful manner.

### INDIGENOUS PEOPLE

When engaging with Indigenous peoples who are affected by our activities, and on whose lands we seek to operate, we follow an approach that recognises and respects their rights. When engaging, our aim is to develop lasting, respectful and mutually beneficial relationships.

#### Honduras

The area we are exploring in eastern Honduras is home to the Indigenous communities of Miskito, the largest Indigenous group in the area, and Garifuna, with whom we have been engaging regularly over the last few years. In 2015, we developed and agreed on a framework for ongoing dialogue with Moskitia Asla Takanka (MASTA), the political representative organisation for the Miskito, and the Honduran government. This framework sets out an

"Indigenous agreement making process" aligned with international best practice. The framework also provides a platform for regular negotiation meetings and allows MASTA to raise any community issues or concerns, thereby strengthening the relationship and helping to build trust. This approach has been positively received by the government of Honduras, as well as external stakeholders.

### CULTURAL HERITAGE

In 2015, BG Group entered Mongolia, a country with a very rich cultural heritage due to its history and paleontological significance. To manage the potential impacts to cultural heritage from our planned exploration programme, we developed a cultural heritage knowledge base and management plan with the help of the Mongolian Academy of Sciences Institute of History and Archaeology. This work is underpinned by participatory socio-economic baseline research and ongoing community engagement. Field-based operational personnel also received specific training on cultural heritage identification. We used a 'chance finds procedure' to recognise and prevent accidental damage to unmapped cultural heritage objects and places that field crews might encounter.

### KAZAKHSTAN RESETTLEMENT

We are joint operator of Karachaganak Petroleum Operating BV (KPO), a consortium that operates an onshore oil and gas condensate field in Kazakhstan. In May 2015, the Republic of Kazakhstan government authorities approved an expansion of the safety perimeter around the Karachaganak field to allow for further development. The new safety perimeter comes into effect at the start of 2018. Two villages, Berezovka and Bestau, are included within the new safety perimeter and government authorities announced in June 2015 that all households in these two villages, approximately 1 850 people, would be resettled to a new location.

Resettlement is being led by the regional government authorities, the West Kazakhstan Oblast, and is funded by KPO. During 2015, KPO, with the support of its operating partners, engaged extensively with the government authorities to develop a resettlement framework to support compliance with the requirements of international standards on resettlement.

## Ethical conduct

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### Why it matters

A high ethical standard in all our operations is integral to how we conduct our business. This approach helps us manage ethical conduct risk and protect our licence to operate and our reputation.

### Our priorities in 2015

Train and equip our people so that they understand our values, follow our ethical conduct standards and can identify ethical conduct risks.

Conduct independent assurance of our anti-bribery and corruption compliance processes.

Reinforce awareness of "Speak Up" and promote an environment where our people feel empowered to raise concerns about breaches of our Business Principles, Policies or Standards.

Analyse, assess and manage fraud and corruption risk across the business, including carrying out due diligence on the organisations with whom we are considering working.

# 100%

OF OUR PEOPLE COMPLETED ETHICAL CONDUCT AND APPROPRIATE BEHAVIOUR E-LEARNING

WE HAVE

# 18

FRAUD MANAGERS – ONE IN EACH OF OUR MAJOR LOCATIONS

## Activities and performance

### ETHICAL CONDUCT CULTURE AND TRAINING

Increasing the capability of our people to manage potential ethical conduct risks and detect and prevent fraud in their work environment remains very important. Our aim is to create a culture of awareness with individuals empowered and skilled to take personal responsibility for maintaining a high standard of ethical conduct across BG Group.

- By the end of November 2015, BG Group's two new mandatory e-learning modules in ethical conduct and appropriate behaviour (which replaced our Business Principles e-learning) had been completed by over 5 400 people, which represented all of our workforce (all employees and category 1 and 2 contractors<sup>(a)</sup>). Additionally, all our staff ensured they were up-to-date with the completion of BG Group's three other globally-mandated e-learning modules, which are about Information Security, Insider Dealing and Fraud/ Bribery. This was run as a group-wide campaign as part of 'Do the Right Thing' following the success of last year's campaign.
- We released communications across the Group to raise awareness about using 'Speak Up', our whistleblowing facility. This was done as part of the 2015 Do the Right Thing campaign.
- We trained more than 95 contract managers to increase their awareness of ethical conduct risk and their ability to manage it in the contracts for which they are responsible.

- Over 450 individuals, who are in roles that are critical to the detection and prevention of fraud, completed our fraud risk management e-learning. This increases the total number of people who have completed the course to 1 300 since this course was first launched in November 2014.
- We continued to hold knowledge sharing conference calls for our 18 fraud managers across the Group. Based in each of our major locations, our fraud managers carry out fraud prevention and detection activity alongside their other day-to-day responsibilities.

### ANTI-CORRUPTION, BRIBERY AND FRAUD

We have a zero tolerance policy towards corruption. Corruption and bribery represent significant risks for the oil and gas industry and in 2015, we continued to assess and manage our exposure to these risks as well as monitor compliance with our ethical conduct standards.

During the year, further progress was made in improving the Group's response to fraud prevention and detection. We introduced an updated process for assessing fraud risk which identified key risks, assessed control environments and drafted remedial actions. Group-wide communications and training has increased awareness of fraud risk across the organisation with root causes of identified frauds immediately investigated and key learnings shared across the Group.

We continued to manage corruption risks in our new venture activities as part of our due diligence process when entering new countries.

We investigate all genuine 'Speak Up' reports and allegations of corrupt activities. Five Speak Up cases closed in 2015 resulted in the dismissal or disciplining of employees for breaches of our ethical conduct standards.

### AUDITING AND ASSURANCE

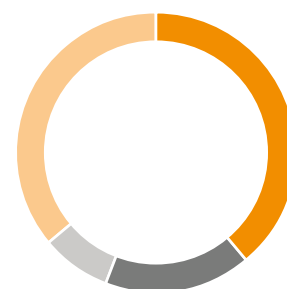
We continued to test the robustness of our anti-bribery and corruption processes using both internal assurance and independent external assessors. This forms part of our integrated assurance process, which is designed to ensure we have a joined-up approach to assuring the quality of the Group's risk management environment.

We carried out five independent assessments to monitor the robustness of our anti-bribery and corruption programme.

### 'SPEAK UP' (WHISTLEBLOWING)

Our whistleblowing policy (which is called 'Speak Up'), requires our people, and encourages others, to report any breach, or potential breach, of our Business Principles or policies. During 2015, 109 Speak Up cases were reported, compared with 106 in 2014 and 2013. Of the 109 cases reported in 2015, some are still under investigation. Of the cases that were investigated and closed in 2015, 24 cases resulted in actions recommended against individuals, employees or contractors, ranging from training or disciplinary action, to contract termination or other appropriate action. A further 13 cases resulted in follow-up actions, such as changes to procedures and organisational controls.

### SPEAK UP/ WHISTLEBLOWING CASES



- General workplace concerns<sup>a</sup> 39%
- Malpractice allegations<sup>b</sup> 17%
- Health, safety, security and environment concerns 8%
- Fraud allegations<sup>c</sup> 36%

- Including allegations of harassment, discrimination and unfair treatment.
- Including allegations of breaches of the Group's Ethical Conduct Policy and Standards. Prior to 2014, corruption allegations were classified as malpractice.
- Including allegations of theft, corruption or misuse of funds. Since 2014, corruption allegations have been classified as fraud to mirror the revised definition of 'fraud' in BG Group's revised Fraud Risk Standard.



BG Group promoted its culture of ethical conduct through the campaign 'Do the Right Thing', which started in 2014. In 2015, the focus of the campaign was ensuring all BG Group's workforce have completed all globally-mandated e-learning.

(a) With the exception of those on long-term leave who were excluded.

## People and skills

### Why it matters

**Our business benefits from a diverse culture in which individuals contribute different perspectives and ways of working. Our success is supported by the talent, skills, organisation and motivation of our workforce.**

### Our priorities in 2015

Develop and empower our people to reach their full potential.

Develop an inclusive leadership approach.

Attract talented candidates to join our business.

## Activities and performance

### OUR WORKFORCE

At year end, we had 4005 employees and 833 core contractors from around 70 nationalities working for us. We work in over 20 countries on five continents in different cultural, legal and regulatory environments.

We encourage our employees to be globally mobile, but we also engage many people on local terms as employees and contractors. The local employment opportunities we create represent a key part of our economic contribution to the communities and countries where we work. In common with most oil and gas businesses, contractors make up a significant percentage of our workforce. Through our 'One Team' approach we work to ensure collaborative work practices between employees and contractors.

### DIVERSITY

Our business benefits from a diverse culture in which individuals contribute different perspectives and ways of working. To achieve this, we aim to build a workforce that is diverse in ethnicity, gender, background and approach. As at 31 December 2015, 1,123 of our total employees and 15% of our senior leadership was female.

We remain committed to building and retaining a diverse pipeline of talent for the future. During the year, we completed a review to simplify the competency frameworks for each function in order to support mid-career re-entry to the workforce and made the frameworks globally accessible and gender neutral.

### EMPLOYEE ENGAGEMENT

As the Group grows and diversifies, employee engagement is a key factor in our success. Listening to our employees through continuous dialogue to identify issues or concerns early and collaborate globally enables us to gauge employee satisfaction. During the year, we introduced a regular pulse survey that went out to our employees.

A key area of focus in 2015 was on engaging with our people around the proposed acquisition of BG Group by Shell. During this time, it was a priority for us to communicate regularly with our people at every stage of the process and to provide support and guidance.

### TRAINING

We design training programmes for our employees and contractors to support continuous development. In 2015, we expanded our offering with the launch of two new extensive online learning platforms, Skill Soft and LEARN, which include courses and e-books on a vast range of topics such as oil and gas subjects, personal development and learning for managers, health and safety.

In 2015, the use of our existing business training programmes:

- 1,433 people participated in classroom courses
- 2,164 people completed our Life Savers modules in key aspects of safety
- 2,143 people completed our Information Security e-learning course
- 2,142 people completed our Insider Dealing e-learning course
- 2,473 people completed our Fraud & Bribery e-learning course
- 5,393 people completed our Ethical Conduct e-learning course
- 5,402 people completed Our People e-learning course
- 209 people participated in the Exploring Leadership Programme

Throughout 2015, we offered 189 different classroom and 383 different e-learning courses to our people. Development extends beyond the classroom with "on the job" learning, coaching and mentoring.

### PEOPLE FOR THE FUTURE

We plan for future requirements in our business by developing our own people and through recruitment. We are committed to creating a sustainable pool of talent for the future of our business. During the year, we developed our talent management strategy by conducting a global assessment of talent. The review identified key talent within BG Group which in turn feeds our succession planning, as well as helping us identify opportunities for personal growth across our global population. This enables us to look at the talent across our business and strategically manage our resource pool as well as build it for the future.

Using the results of an extensive consultation across the business in 2014, we launched a new training programme aimed at developing our leaders, 'Exploring Leadership'. The programme was rolled out across three global hubs; Americas, Australasia and Europe, and received great interest and demand.

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## Valuing our environment and climate

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**As an oil and gas company, we recognise our duty to minimise the impact of our operations on the environment, including the climate.**

**We aim to be part of the solution in meeting the energy demand of a growing global population, while addressing the critical challenge of climate change for society and our business.**

Read more about:

- > [Climate change: performance and action](#)
- > [Environmental management](#)
- > [Spills](#)
- > [Water and biodiversity](#)

## Climate change: performance and action

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### Why it matters

**We acknowledge our responsibility as an energy producer and consider climate change to be a key issue for both our company and our industry. We recognise the general ambition to limit global average temperature rise to below 2°C, and that the existing trend of the world's net greenhouse gas (GHG) emissions is not consistent with this ambition.**

### Our priorities in 2015

Improve our emissions performance and deliver energy efficiency initiatives.

Contribute to technology innovation, research and industry partnerships to ensure natural gas fulfils its potential as a vital part of a carbon-constrained energy mix.

Recognise and respond to risks from climate change to our business, including internally valuing carbon in investment analysis and decisions.

Collaborate with industry peers, academia, governments, investors and other stakeholders to build and deliver effective solutions.

Flared gas volumes in 2015 were 465 000 tonnes. This was a decrease of 32 000 tonnes from 2014. We experienced higher than normal gas flaring due to the ramp up of activities at our operations in Australia in both 2014 and 2015.

In 2015, BG Group joined the World Bank's 'Zero Routine Flaring by 2030' initiative to eliminate routine gas flaring at operated oil production sites by 2030. This initiative aligns with our existing climate change strategy and internal standards on flaring.

Our early-life project in Brazil, which will come into operation in 2017, is a notable example of an oil project being developed to operate with zero routine flaring. With our partner, Petrobras, we are designing flare gas recovery technology into these facilities where all associated gas will be used for power generation, re-injected or exported. The technology eliminates the need for 'routine flaring'. In the first year, it is expected that approximately 44 000 tonnes of CO<sub>2</sub>e will be saved (including during the intensive start-up phase) and 8 700 tonnes of CO<sub>2</sub>e per year will be saved each subsequent year. From a commercial perspective, the total expected recovered barrels of oil equivalent over the life time of the field (roughly 25 years) is approximately 647 000boe.

## Activities and performance

### OVERALL PERFORMANCE

In 2015, the Group's GHG operated emissions intensity increased by 6% from 2014. This was primarily a result of our activities in Australia; the commissioning of our LNG plant in Queensland and the increase in purchased electricity requirements in the QGC upstream operations. Our equity share emissions were 9.2 million tonnes of GHG, an increase of 9% on 2014 levels. 100% of operated assets completed energy and emissions management plans.

### OPERATIONAL EFFICIENCY

Energy efficiency enables us to lower both our emissions and operating costs, thereby giving us a competitive advantage. It also provides immediate climate change benefits. Each of our operated assets has its own emissions intensity target and energy and emissions management plan, which identifies the energy and emission reduction initiatives to be implemented in order to deliver these targets.

In 2015, we delivered emission and energy reduction projects in our operated assets which accounted for approximately 5% GHG emission reduction compared to the 'do nothing' case, saving 498 000 tonnes of GHG per year. Examples included initiatives which delivered a reduction in flaring at our operations in Australia and a power integration project in our facilities in Egypt.

### SCOPE 1 EMISSIONS

Scope 1 emissions are defined as direct GHG emissions from sources we own or control. Our Scope 1 emissions derive from fuel use, flaring, venting and fugitive losses (unintentional small leaks or other irregular emissions of gases from equipment). In 2015, operations directly under our control emitted 9.6 million tonnes of GHGs, an increase of around 2 million tonnes, or 26%, on 2014.

The rise in our GHG emissions is due to our activities in Australia, specifically the commissioning of the 8.5 million tonnes per annum LNG liquefaction facility in Queensland, increased purchased electricity in the QGC upstream operations and growing shipping activity.

### SCOPE 2 EMISSIONS

Scope 2 emissions are defined as indirect emissions from the consumption of purchased electricity, heat or steam<sup>(a)</sup>. Electricity use in offices and field operations is our only significant source of Scope 2 emissions. In 2015, businesses under our control purchased electricity that emitted 1.3 million tonnes of GHGs when originally generated at source, a four-fold increase compared with 2014. This increase is due to new electrically powered infrastructure starting-up in our coal seam gas upstream development in Australia.

### SCOPE 3 EMISSIONS

Scope 3 emissions are defined as indirect emissions associated with activities outside our direct control. We sell our gas or oil into the wholesale market, or to large energy generators or suppliers. The consumption of our products is by far the largest source of Scope 3 emissions associated with our business. We estimate that the emissions from the use of the fuel we produced were 102 million tonnes in 2015, compared with 97 million tonnes in 2014.

### FLARING

In line with our Environment and Climate Change Standard, our facilities are designed and operated to have no routine flaring or venting of hydrocarbons, except when required for safety reasons. Our facilities are also designed and operated to promote plant stability and avoid depressurisation events that could lead to flaring. We require flare management plans to be developed for well testing, commissioning and early life, start-ups, shutdowns and other non-routine activities.

### METHANE EMISSIONS

While methane emissions are only a small percentage of our total GHG emissions (approximately 6% in 2015), they continue to be a priority for us given methane's contribution to near-term climate change. In 2015, we remained committed to driving industry action to improve data and reduce emissions.

### INVESTING IN TECHNOLOGY

We believe that business as usual will not be enough to address adequately climate change; innovation in collaboration with others is critical to deliver an increasingly cost-efficient and less carbon intensive industry.

### COLLABORATION AND ENGAGEMENT

We collaborate actively with industry partners, governments, academic institutions, industry associations and other stakeholders in recognition that climate change is an issue we cannot address in isolation. We leverage the support of our partners to deliver concrete solutions to the climate change challenge.

We advocate for effective, harmonised, globally-linked carbon pricing frameworks to provide the clarity and certainty necessary for robust investment decisions. In May, BG joined five other European oil and gas companies in calling on governments to introduce carbon pricing systems in a joint-letter. In November, we joined the World Bank's Carbon Pricing Leadership Coalition and endorsed the UN Global Compact's Business Leadership Criteria on Carbon Pricing.

(a) We calculate indirect GHG emissions from electricity consumption by applying country-specific emission factors (reflecting the average GHG emissions per unit of electricity produced on a country-by-country basis), to electricity purchased.

## Environmental management

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### Why it matters

As an oil and gas company, we recognise our duty to minimise the impact of our operations on the environment. We work to measure, manage and monitor our risks and impacts while ensuring our operations meet or exceed industry best practices.

### Our priorities in 2015

We aim to improve continuously the environmental performance of existing operations and avoid or minimise environmental risks and impacts associated with new operations.

Meet or surpass air quality standards established by local and regional governments.

Develop our resources in accordance with industry best practices.

Minimise the use of raw materials and manage all waste associated with our operations.

### Activities and performance

#### BUILDING OUR APPROACH

Our approach to minimising and managing our impact on the environment is embedded in our Environment & Climate Change standard. In 2015, we updated our Environment and Climate Change Standard, which applies to all existing assets as well as new projects and developments, to improve clarity on environmental performance expectations and strengthen alignment with international standards and industry best practice. During the year, we also implemented a new global environmental data management system, improving our environmental data measurement and analysis capabilities.

#### RESPONSIBLE UNCONVENTIONAL GAS MANAGEMENT

BG Group is developing natural gas from 'unconventional' sources under our direct operational control from our coal seams in Australia, our biggest natural gas operation, and through a joint venture with our partners in the US from shale rocks. Given the rapid expansion of the unconventional gas industry, some stakeholders are concerned about the potential environmental and community impacts resulting from developing unconventional natural gas.

We are working responsibly to develop these resources and we make a range of commitments about the way we operate, as set out in our Safety and Sustainability Policy, Environment and Climate Change Standard and Social Performance Standard. Where unconventional assets are not under our direct control, we endeavour to influence our joint venture partners to apply the same standards. Relevant information about our performance and activities during 2015 in the unconventional operations under our direct control in Australia can be found in the sections on climate change, water, safety and social performance throughout this report.

#### NON-GREENHOUSE GAS EMISSIONS

We aim to measure, manage and monitor emissions to air in order to minimise our impact on people and the environment.

#### Sulphur dioxide emissions

During 2015, sulphur dioxide (SO<sub>2</sub>) emissions were 25 000 tonnes, in line with 2014 emission levels.

Around 26% of BG Group's SO<sub>2</sub> emissions arise from our operated Miskar gas field in Tunisia where the gas has high hydrogen sulphide content. To treat it to sales gas quality, hydrogen sulphide is sent to an incinerator, where it is converted to SO<sub>2</sub> and dispersed into the atmosphere.

#### Nitrogen oxide emissions

During 2015, nitrogen oxide (NO<sub>x</sub>) emissions totalled 59 000 tonnes, an increase of 69% compared with 2014. This is mainly due to the increase in fuel use from the QCLNG liquefaction facility commissioned in 2015 and with a smaller increase in use of dual fuel diesel-electric vessels in our global shipping fleet. These vessels are more fuel efficient, reducing carbon emissions, but have higher NO<sub>x</sub> emissions.

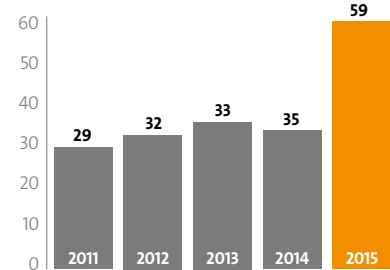
#### WASTE PERFORMANCE

We aim to minimise the use of raw materials and manage waste at all our operations. Total waste disposed in 2015 was 108 000 tonnes, compared with 115 000 tonnes in 2014.

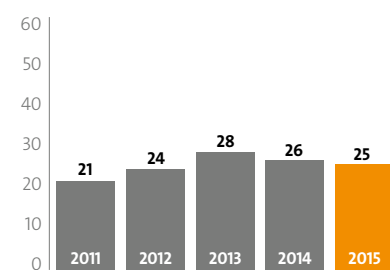
In 2015, 38% of our waste was reused or recycled, including 40% of our total hazardous waste.

#### NON-GREENHOUSE GAS EMISSIONS

##### NITROGEN OXIDE EMISSIONS ('000 tonnes)



##### SULPHUR DIOXIDE EMISSIONS ('000 tonnes)





## Spills

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### Why it matters

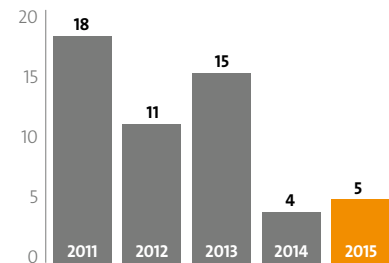
Our facilities and operational procedures are designed to reduce the risk of spills and ensure a comprehensive response should a spill occur. We are committed to ensuring the safety of people and reducing our impact on the environment.

### Our priorities in 2015

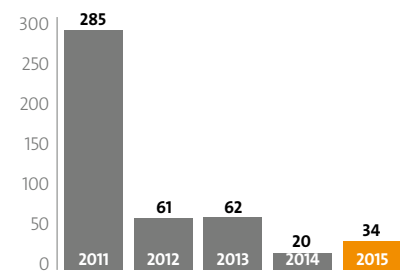
Lower the risk of spills and leaks, through design in new facilities and through maintenance in existing facilities.

Increase our spill response capability, including training our people.

**NUMBER OF HYDROCARBON SPILLS**  
(of one barrel or more)



**VOLUME OF HYDROCARBON SPILLS IN BARRELS**



## Activities and performance

### OIL-SPILL PREVENTION

We have in place a wide range of precautionary measures to ensure the risks of an oil-spill are reduced to a level that is as low as reasonably practicable. Through the design, operation and maintenance of our facilities, we work to achieve asset integrity, or the ability of our physical assets to perform their required function effectively whilst safeguarding life and the environment. All BG Group-operated wells have a management system in place for well integrity, which address safety, reliability, efficiency and general fitness for service of the well. These plans stipulate how well integrity will be managed throughout the lifecycle of a well with the aim of reducing the risk of uncontrolled releases or spills.

During 2015, we continued the focus on well integrity by updating the software that provides live data from all our wells to facilitate enhanced management of well integrity and early detection of potential incidents.

### OIL-SPILL PREPAREDNESS AND RESPONSE

We put in place measures to ensure that if a spill occurs it will be contained and not discharged to the environment. All of our facilities or operations that produce, store or transfer oil have an oil-spill contingency plan which assesses the potential risks of oil pollution and outlines response procedures. We also regularly train staff with pollution response roles and run drill exercises for the contractors who provide pollution response services in order to practice oil spill response procedures.

During 2015, we engaged specialists from Oil Spill Response Limited (OSRL) – an organisation which responds to oil-spills by providing preparedness, response and intervention services to companies – to provide oil-spill modelling support to our business in Trinidad and Tobago. We also worked with OSRL to donate oil-spill response equipment to the Mnazi Bay Marine Park near where we work in Tanzania to improve local spill response capability.

### HYDROCARBON SPILLS

In 2015, we had no significant spills. The total amount of oil spilled during the year was 34 barrels, a 70% increase from 2014. There was a total of 20 barrels of oil spilled to sea, and 2 spills to sea were a barrel or greater in volume.

## Water and biodiversity

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### Why it matters

Our operations use and produce water in diverse areas around the world. We manage water resources throughout the life-cycle of our operations. We aim to minimise our impact on water resources and take opportunities to benefit our business and stakeholders. We also identify and respond to risks relating to the biodiversity present in all locations where we have activities. This includes how local people may rely on ecosystem services in the area, such as freshwater.

### Our priorities in 2015

Continue to review and update our water management approach to align with industry best practice.

Develop and implement water management plans to mitigate identified risks and manage any potential impacts.

Where avoidance is not possible, apply mitigation measures to minimise the impacts of our activities.

Assess our exposure to potential environmental, social and economic water risks.

Identify and seek to avoid any impacts on biodiversity and ecosystem services where we work.

### Activities and performance

#### MANAGING OUR IMPACT

We use and produce water in a number of ways across our operations. In certain operations we have to find an appropriate source of water to use for process cooling, in the drilling process, in construction and in hydrocarbon reservoir management. In addition, some of our activities generate produced water from hydrocarbon reservoirs.

The water we use and generate as produced or associated water requires appropriate management to avoid environmental impacts and detrimental effects on local stakeholder communities. In 2015, we continued to mitigate and manage impacts in operations where we have identified water risk and the total volume of water we withdrew for use in our activities (decreased to 1.065 million tonnes from 2014 figures).

#### ASSESSING OUR RISKS AND POTENTIAL IMPACTS

We assess our risks and potential impacts on biodiversity and ecosystem services at the locations where we work through screening, environmental survey and impact assessments. Our work in this area helps us to understand our local risks in each environment and begins at the start of the project life-cycle, informing our environmental and social impact assessments and action plans. Results from field and remote sensing (using aerial and satellite imagery), surveys and subsequent assessments allow us to plan strong mitigation measures to be implemented for each situation to avoid or minimise potential impacts.

#### MANAGING OUR IMPACT

We require that all our operations assessed as having significant biodiversity sensitivities near our activities develop biodiversity action plans. These plans outline mitigation and monitoring measures to be implemented to minimise potential impacts to priority biodiversity features that may result from our activities.



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## Delivering socio-economic benefits

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**We are committed to contributing to the social and economic development of the countries where we work. We aim to create shared value and develop strong partnerships and meaningful stakeholder engagement with the governments, communities, businesses and people that we work with. The relationships we build have a significant impact on our ability to operate effectively.**

Read more about:

- > [Our economic contribution](#)
- > [Supply chain](#)
- > [Building skills](#)

## Our economic contribution

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### Why it matters

We have a commitment to develop natural resources in a way which creates lasting benefits for our host countries. We contribute to the economies of local communities and broader society where we work through the payment of taxes, creation of jobs and social investments.

### Our priorities in 2015

Employ people from host communities and countries where possible.

Maintain our commitment to transparency of payments to governments.

Ensure our voluntary and mandated social investment contributions directly respond to both community and business priorities.

# 84.5%

OF TOTAL SUPPLIER SPEND ON LOCAL BUSINESSES

## Activities and performance

### ECONOMIC CONTRIBUTION

We aim to ensure host governments, local communities and host societies benefit from our activities. The table below shows the direct economic value we generated and distributed over the past five years to governments through taxes, to people through jobs and social investments and to suppliers and contractors.

### SOCIAL INVESTMENT

Our social investment strategy supports projects that build human capacity and increase people's employability and income-earning prospects. In 2015, we spent approximately \$17.7 million on social investment, compared with \$20 million in 2014. This decrease in expenditure is due to cost pressures associated with operating in the low oil price environment. We increased our mandatory social investment expenditure, primarily due to new legislation in India, which mandates that certain companies spend at least 2% of average profits made during the three preceding financial years on "CSR" activities. Across the Group, we focus our social investment on three strategic areas: science, technology, engineering and mathematics (STEM) education, vocational training, and livelihoods and enterprise development. In 2015, these strategic areas make up 62% of our voluntary social investment.

### LOCAL EMPLOYMENT AND LOCAL CONTENT

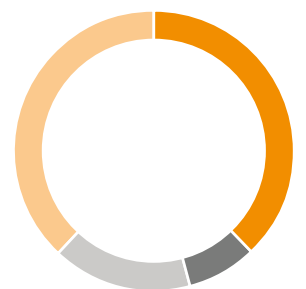
We recognise the importance of local content to contributing to the sustainable economic development of the countries and communities where we work. We develop procurement approaches suitable for each location and commit to consider opportunities to source locally where possible. In 2015, the total spend on local suppliers was \$5.08 billion, 84.5% of our total supplier spend in 2015 compared to 89% in 2014.

### TRANSPARENCY OF PAYMENTS TO GOVERNMENT

We support transparency of payments to governments, which are an important part of our contribution to host countries and local economies. Transparency supports an informed public debate about natural resource extraction and the use of revenues.

We support the Extractive Industries Transparency Initiative (EITI), the international standard for the disclosure of tax payments by extractive companies, and receipts by governments. We have supported EITI since its inception and have interests in eleven EITI implementing countries: Colombia, Honduras, Kazakhstan, Madagascar, Mongolia, Myanmar, Norway, Tanzania, Trinidad and Tobago, UK and USA.

### SOCIAL INVESTMENT



STEM education 38%  
Vocational training 8%  
Livelihoods & enterprise development 16%  
Other 38%

### Direct economic value generated (\$ million)<sup>(a)</sup>

	2015	2014	2013	2012	2011
Revenue and other operating income	16 302	19 949	19 311	19 200	17 849
Operating costs	14 249	13 572	11 827	11 355	10 459
Net Finance costs	202	753	114	138	34
Dividends paid	980	1 024	923	859	772
Income taxes paid	1 019	2 616	2 468	2 720	2 720
Employee costs	1 022	1 259	1 105	1 393	1 271
Social investment	17.7	20.0	17.9	27.2	13.3

(a) See our [Annual Report and Account Financial Statements](#) for more information.

## Supply chain

### Why it matters

As a global business operating in a technical industry, we work with a wide range and number of contractors, suppliers and local businesses. We work to gain knowledge of our sphere of influence and identify risks and opportunities in our supply chain.

### Our priorities in 2015

Manage contracts to meet our sustainability standards.

Work in partnership with contractors to manage risks and impacts.

### Activities and performance

#### OUR APPROACH TO MANAGING RISKS

At BG Group, we aim to provide a consistent and integrated approach to managing sustainability within our supply chain. We identify and manage potential risks and opportunities, with a particular focus on: ethical conduct, human rights, socio-economic development, and health, safety, security, and environment (HSSE) risks. In 2015, we continued to strengthen our approach in the following areas:

- **Managing contractors:** Contractors make up a significant percentage of our workforce (completing 58 million hours of work out of a total of 78 million in 2015) and often carry out the highest-risk activities. They are frequently the first people on the ground when we enter a new country. Contractor behaviour can significantly affect our operational efficiency, reputation with governments and relationship with local communities where we work.

Our Contracts and Procurement Standard sets requirements for contractor selection and management. It sets specific requirements for contracts assessed as having high health, safety, security and environment (HSSE), human rights or ethical conduct risks. At the end of 2015, we had 191 contracts that had been designated as high HSSE risk.

- **Training and Organisation:** It is vital our employees and contractors understand their role and have the tools to work to a high standard. Throughout 2015, we continued the rollout of our Demand Manager Training Programme to our operations. The programme aims to raise awareness and capacity to manage risks in our supply chain and ensures individuals take a consistent, best practice approach and are equipped to do their role competently.

To help embed this best practice within BG Group culture, during the year, these principles were built into our new employee orientation training in the US and refresher training was also offered. In addition, a tool that we use to assess the competency of our Contracts and Procurement people was refreshed to include sustainable sourcing as a core principle.

We seek to understand the world we work in, as this knowledge helps us drive sustainability within BG Group. In support of this, during the year we continued to engage reputable third parties to conduct periodic benchmarking reviews, to assess the effectiveness of our strategy, operating model and delivery, relative to our industry peers.

## Building skills

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### Why it matters

We invest in building skills to provide a basis for local communities to gain the skills and experiences needed to access opportunities and benefits related to the oil and gas industry. This helps us to respond proactively to the strong expectations from host governments and societies for our sector to provide jobs and local benefits.

### Our priorities in 2015

Target our social investment to programmes that build skills to ensure communities can benefit from our presence.

Develop two new partnerships to promote skills development.

Maintain and strengthen programmes to promote Science Technology Engineering and Mathematics (STEM), alternative livelihoods and enterprise development.

# 90%

IMPROVEMENT IN EMPLOYMENT RATE FOLLOWING THE TRAINING PROGRAMME IN TANZANIA WE SUPPORT

## Activities and performance

### VOCATIONAL TRAINING

We invest in technical and vocational training because they are the most important skills for local people seeking employment in the energy and related sectors. These jobs are a key way for local populations to benefit from the presence of our industry.

In 2015, we continued to invest in Tanzania in skills development programmes we set up in partnership with VETA, the government body responsible for training, and VSO, an international development NGO. We aim to improve vocational courses in subjects such as plumbing, welding, carpentry and other transferable vocational trades related to the emerging oil and gas sector. We aim to accomplish this through upgrading facilities, improving curricula, teacher training, HSE awareness and increasing practical training to students. To date, over 600 students have benefited from the programme, and of those who have graduated, more than 50% have found employment within six months of graduating. This is in contrast to an employment rate of 26% within two years of graduating before the start of the programme – an improvement of 90%.

### Skills for Oil and Gas in Africa

We are investing \$1.45 million over five years in a programme known as 'Skills for Oil and Gas in Africa' to help equip people in East Africa with the skills needed to secure job opportunities in the emerging oil and gas sector. We actively supported the development of the programme, which was launched in 2015, in partnership with UK's Department for International Development, the Norwegian Agency for Development Cooperation and the German Ministry for Economic Cooperation and Development. This initiative enables collaboration between international oil companies, major suppliers, contractors and host governments to ensure the development of relevant and high-quality skills in Kenya, Mozambique, Tanzania and Uganda.

### ALTERNATIVE LIVELIHOODS AND ENTERPRISE

Direct employment opportunities in the oil and gas sector may be limited and often restricted to those with highly specialised skills that may not be available locally. To respond to expectations to provide jobs and income earning prospects, we support local communities to improve existing livelihoods and income generating activities, and we support entrepreneurs to create new or expand existing businesses.

### SUPPORTING JOB CREATION FOR INDIGENOUS PEOPLE

In 2012, our business in Australia developed a strategy to promote employment, training and business development among Aboriginal and Torres Strait Islander communities near our Queensland LNG project. Our Australian business and its major contractors were successful in growing the number of indigenous employees from 63 in 2011 to over 350 by early 2015. These award-winning initiatives are considered the best in the Queensland resources sector.

In Canada, in 2014 we spearheaded the development and delivery of Pathways to Success, a programme for building job-readiness and providing employment placements for First Nations. After demonstrating viability, success, and with continued interest by First Nations in the programme, BG Canada was able to leverage funding from other LNG proponents and the Provincial government to expand and further enhance the programme in 2015. By the end of 2015 almost 150 First Nations had been placed in jobs, representing over \$4 million in annual income and over \$2 million in net benefits to the Province in the form of tax revenue and savings from social support programmes.

In Bolivia, we operate in the territory of the Weenhayek indigenous community, who are traditionally dependent on river fishing. Depleting fish stocks, however, mean that fishing is no longer a viable livelihood. In 2015, through our local NGO

partner, FAUTAPO, we have continued to provide technical assistance, training and small-scale equipment to these communities to develop alternative sources of income, such as beekeeping and farming. Weenhayek products have been sold at trade fairs and in local and regional markets. Local authorities have also committed to source Weenhayek honey for public schools in the area. In 2015, BG Group's work with the Weenhayek was recognised locally as an example of good social investment practice.

### STEM EDUCATION

BG Group invests in STEM education (science, technology, engineering and maths) to create opportunities for young people, particularly those from backgrounds under-represented in STEM studies and careers. By investing in STEM education we aim to contribute to long-term economic prosperity in host countries and to build a pipeline of talent that is critical for the future success of our industry.

During 2015, we have further developed our global portfolio of STEM investments and launched significant new STEM partnerships in Trinidad and Tobago, Brazil and Australia. We facilitated collaboration agreements between the London Science Museum, the Queensland Museum Network and the Museum of Tomorrow in Rio de Janeiro, to facilitate exchange of knowledge, exhibitions, and educational programmes. Since BG Group adopted STEM education as a global social investment theme in 2011, in total, more than more than 70 000 students have benefited directly from our investments.

## Data

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### OCCUPATIONAL HEALTH AND SAFETY

Total recordable case frequency (TCRF), per million work hours	2015	2014	2013	2012	2011
Employees	0.35	0.56	0.48	0.53	0.67
Contractors	1.40	1.61	1.95	2.73	2.35
<b>Total workforce</b>	<b>1.14</b>	<b>1.38</b>	<b>1.64</b>	<b>2.26</b>	<b>1.92</b>

#### Lost time injury frequency (LTIF), per million work hours

Employees	0.15	0.14	0.35	0.31	0.18
Contractors	0.32	0.45	0.45	0.70	0.59
<b>Total workforce</b>	<b>0.28</b>	<b>0.38</b>	<b>0.42</b>	<b>0.61</b>	<b>0.49</b>

#### Fatalities, number of incidents

Employees	0	0	0	0	0
Contractors	0	0	1	2	3

#### Occupational illness frequency (OIF), per million work hours

<b>Total workforce</b>	<b>0.14</b>	<b>0.13</b>	<b>0.17</b>	<b>0.21</b>	<b>0.49</b>
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### ETHICAL CONDUCT

	2015	2014	2013	2012	2011
Speak Up/whistleblowing cases	109	106	106	120	134
Cases where actions were taken against individuals, following Speak Up investigations	24	13	18	18	28

#### Speak Up/whistleblowing cases relating to:

General workplace concerns <sup>(a)</sup>	39%	35%	48%	33%	33%
Malpractice allegations <sup>(b)</sup>	17%	21%	29%	37%	38%
Health, safety, security and environment concerns	8%	14%	12%	12%	10%
Fraud allegations <sup>(c)</sup>	36%	30%	11%	18%	19%

(a) Including allegations of harassment, discrimination and unfair treatment.

(b) Including allegations of breaches of the Group's Ethical Conduct Policy and Standards. Prior to 2014, corruption allegations were classified as malpractice.

(c) Including allegations of theft, corruption or misuse of funds. Since 2014, corruption allegations have been classified as fraud to mirror the revised definition of 'fraud' in BG Group's revised Fraud Risk Standard.

### PEOPLE

#### Our people by country 2015

	Total employees on local contracts	Local employees by gender		Employees working in country from other BG Group locations	Contractors	Total Workforce
		Male	Female			
<b>Total</b>	<b>4 005</b>	<b>2 882</b>	<b>1 123</b>	<b>561</b>	<b>833</b>	<b>5 399</b>

\* All figures are reported as at 31 December, 2015.

#### Our employees

	2015	2014	2013	2012	2011
<b>Total, average for year</b>	<b>4 717</b>	<b>5 143</b>	<b>5 536<sup>(a)</sup></b>	<b>6 569</b>	<b>6 472</b>
of which employed outside of UK, average for year	3 208	3 515	3 758	4 703	4 496
of which working away from home country, average for the year	626	771	802	775	679
Male	74%	73%	72%	72%	71%
Female	26%	27%	28%	28%	29%
Women in senior leadership positions	15%	8%	13%	12%	10%
Total turnover	10%	19%	10%	14%	11%

(a) Significant decrease of employees due to the exit of Comgas (November 2012) and Gujarat Gas (June 2013).

### CLIMATE CHANGE

GHG emissions from operations under BG Group control ('000 tonnes CO <sub>2</sub> e)	2015	2014	2013	2012	2011
Scope 1	9 566	7 590	6 959	7 740	7 507
Scope 2	1 276	260	15	19	16
<b>Scope 1 and 2 combined</b>	<b>10 842</b>	<b>7 850</b>	<b>6 974</b>	<b>7 759</b>	<b>7 523</b>

#### GHG emissions intensity ('000 tonnes per mmboe)

Scope 1 intensity	18.5	19.2	17.5	16.6	16.3
Scope 2 intensity	2.47	0.66	0.04	0.04	0.04
<b>Scope 1 and 2 combined</b>	<b>21.0</b>	<b>19.8</b>	<b>17.5</b>	<b>16.6</b>	<b>16.3</b>

## Data

22

**Scope 1 and 2 equity share basis GHG emissions**

GHG emissions ('000 tonnes)	9 244	8 475	8 321	9 608	10 611
GHG emissions intensity ('000 tonnes per mmboe)	22.9	24.7	22.6	22.9	25.3

**Scope 1 GHG emissions by GHG ('000 tonnes of CO<sub>2</sub>e)**

Carbon dioxide	8 951	7 051	6 609	7 306	7 064
Methane	547	480	283	368	381
Nitrous oxide	68	59	67	66	62
<b>Total</b>	<b>9 566</b>	<b>7 590</b>	<b>6 959</b>	<b>7 740</b>	<b>7 507</b>

**Scope 1 GHG emissions intensity by business segment ('000 tonnes per mmboe)**

Upstream	19.4	19.0	13.7	13.2	11.9
LNG Shipping & Marketing	15.7	17.0	27.1	21.4	21.2
Other	394.1	367.4	89.8	34.1	41.0
<b>BG Group overall</b>	<b>18.5</b>	<b>19.2</b>	<b>17.5</b>	<b>16.6</b>	<b>16.3</b>

**Flaring**

Flared gas in thousand tonnes	2015	2014	2013	2012	2011
	465	497	144	155	142

**ENVIRONMENTAL MANAGEMENT**

<b>Emissions ('000 tonnes)</b>	<b>2015</b>	2014	2013	2012	2011
Nitrogen Oxide	59	35	33	32	29
Sulphur Dioxide	25	26	28	24	21
Volatile organic compounds	8	9	9	11	12

**Waste disposed by type ('000 tonnes)**

	<b>2015</b>	2014	2013	2012	2011
Cuttings	7	25	10	7	10
Metals	3	1	1	1	1
General	15	22	20	40	13
Hazardous	83	67	112	65	15
<b>Total</b>	<b>108</b>	<b>115</b>	<b>143</b>	<b>113</b>	<b>39</b>

**SPILLS TO THE ENVIRONMENT**

<b>Hydrocarbon spills of more than 1 barrel (number)</b>	<b>2015</b>	2014	2013	2012	2011
<b>Total</b>	<b>5</b>	<b>4</b>	<b>15</b>	<b>11</b>	<b>18</b>

**Volume of hydrocarbon spills (bbls)**

<b>Total</b>	<b>34</b>	<b>20</b>	<b>62</b>	<b>61</b>	<b>285</b>
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**WATER**

<b>Water withdrawal by type ('000 tonnes)</b>	<b>2015</b>	2014	2013	2012	2011
Freshwater use	687	735	961	1 824	1 904
Non-freshwater use	378	1 261	950	74	107
<b>Total</b>	<b>1 065</b>	<b>1 996</b>	<b>1 911</b>	<b>1 898</b>	<b>2 011</b>

**Water disposed by type ('000 tonnes)**

	<b>2015</b>	2014	2013	2012	2011
Produced water	7 974	7 686	6 700	6 921	6 090
Oil in produced water	0	0	0	0	0
Associated water	34 429	31 924	18 218	4 558	3 272

**Controlled discharges to sea from drilling activities ('000 tonnes)**

	<b>2015</b>	2014	2013	2012	2011
Drill cuttings	12	4	22	13	10
Oil in cuttings	0	0	1	0	0
Muds	32	5	57	14	13
<b>Total</b>	<b>44</b>	<b>9</b>	<b>80</b>	<b>27</b>	<b>23</b>

**SOCIAL PERFORMANCE**

<b>Social investment (\$'000s)</b>	<b>2015</b>	2014	2013	2012	2011
Total voluntary <sup>(a)</sup>	15 039	18 346	16 089	25 432	11 484
Total mandatory <sup>(b)</sup>	2 621	1 700	1 800	1 800	1 819
<b>Total</b>	<b>17 660</b>	<b>20 046</b>	<b>17 889</b>	<b>27 232</b>	<b>13 303</b>

(a) Voluntary – Social investment spend that BG Group makes on a voluntary basis.

(b) Mandatory – Social investment spend that is a requirement or obligation under a licence, production sharing contract or other commercial agreement with a host government.

